

HOUSE BILL NO. 373

INTRODUCED BY T. SCHMIDT

BY REQUEST OF THE ATTORNEY GENERAL

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING REGISTRATION REQUIREMENTS FOR MOTOR VEHICLES; ELIMINATING THE REQUIREMENT FOR NOTARIZATION OR ACKNOWLEDGMENT OF THE SIGNATURE OF A PERSON SELLING A MOTOR VEHICLE; PROVIDING THAT CERTAIN VEHICLES OWNED BY A CORPORATION MAY NOT BE REGISTERED IN MONTANA; AMENDING SECTIONS 61-3-201, 61-3-303, AND 61-3-456, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 61-3-201, MCA, is amended to read:

"61-3-201. Transfer of interest -- cancellation of erroneous certificate of ownership or registration.

(1) Upon a transfer of any interest in a motor vehicle registered under the provisions of this chapter, the person whose interest is to be transferred shall write his the person's signature with pen and ink upon the certificate of ownership issued for the vehicle in the appropriate space provided, ~~and the signature must be acknowledged before the county treasurer, a deputy county treasurer, an elected official authorized to acknowledge signatures, an employee of the department, or a notary public.~~

(2) Within 20 calendar days after endorsement, the transferee shall forward both the endorsed certificate of ownership with the odometer mileage statement required under 61-3-206 and the certificate of registration, together with the information required under 61-3-202, to the county treasurer, who shall forward them to the department. The department may not issue a certificate of ownership or certificate of registration until the outstanding certificates are surrendered to that office or their loss is established to its reasonable satisfaction. Failure to make application within the 20-day grace period subjects the transferee to a penalty of \$10. The county treasurer shall collect the penalty at the time of registration. The penalty is in addition to the fees otherwise provided by law. If the transferee does not make application within 25 days, a creditor or secured party may pay the fees for the transfer of title and filing of security interest or lien in order to have title transferred to the transferee and have the security interest

1 or lien filed. The creditor or secured party is not liable for the penalty, registration fees, or taxes. The
2 department shall return the certificate of title to the county treasurer as provided in 61-3-103(1). When
3 the certificate of ownership is returned by the department to the county treasurer, the treasurer shall hold
4 the certificate of ownership until the vehicle is properly registered.

5 (3) In the event of a transfer by operation of law of any interest in a motor vehicle, as upon
6 inheritance, devise, or bequest, order in bankruptcy or insolvency, execution sale, repossession upon
7 default in the performance of the terms of a lease or executory sales contract, or otherwise than by
8 voluntary act of the person whose title or interest is transferred, the executor, administrator, receiver,
9 trustee, sheriff, or other representative or successor in interest of the person whose interest is transferred
10 shall forward to the department an application for a certificate of ownership in the form required by the
11 department, together with a verified or certified statement of the transfer of interest. The statement must
12 set forth the reason for the involuntary transfer, the interest transferred, the name of the person to whom
13 the interest is to be transferred, the process ~~of~~ or procedure effecting the transfer, and other information
14 requested by the department. Evidence and instruments otherwise required by law to effect a transfer of
15 legal or equitable title to or an interest in chattels ~~as that~~ as that may be required in ~~such~~ those cases must be
16 furnished with the statement. If the department is satisfied that the transfer is regular and that all
17 formalities required by law have been complied with, it shall send to the owner, conditional sales vendor,
18 lessor, mortgagee, and other lienor, as shown by its records, notice of the intended transfer and, not less
19 than 5 days after sending notice, shall issue a new certificate of ownership and certificate of registration
20 to the transferee. The notice required by this section is complied with by deposit in the U.S. mail of the
21 notice, postage prepaid, addressed to the person at the respective address shown on its records.

22 (4) When the vehicle certificate of ownership that is involuntarily transferred is not registered in
23 this state, the procedure in subsection (3) must be followed in applying for a new certificate of ownership
24 and certificate of registration, ~~however~~ However, in lieu of the statement required in subsection (3), the
25 department may accept an affidavit of repossession on the form provided by the state in which a lien has
26 been perfected and the department need not send notice of intended transfer and shall issue a new
27 certificate of ownership and a new certificate of registration to the person entitled to the certificates.

28 (5) (a) If the owner of one or more motor vehicles, trailers, semitrailers, or housetrailer registered
29 under this chapter and not exceeding a combined value of \$15,000 dies without leaving other property
30 necessitating the procuring of letters of administration or letters testamentary, the surviving spouse or

1 other heir, unless the property is by will otherwise bequeathed, may secure transfer of the decedent's
2 certificate of ownership and the certificate of registration for the vehicle.

3 (b) The person seeking transfer of the certificate of ownership shall file an affidavit with the
4 department setting forth the fact of survivorship and the name and address of any other heirs and other
5 facts as are necessary under subsection (5)(a) to entitle the affiant to a transfer.

6 (c) The department is authorized to transfer the certificate of ownership and certificate of
7 registration, subject to all security interests shown by its records, upon receipt of an affidavit showing that
8 the affiant is entitled to a transfer under the provisions of subsection (5)(a).

9 (6) Nothing in subsection (5) prevents a secured party from assigning ~~his~~ the party's interest in
10 a motor vehicle registered under the provisions of this chapter to any other person without the consent
11 of and without affecting the interest of the holder of the certificate of ownership and certificate of
12 registration. Upon any assignment by a secured party of ~~his~~ the secured party's security interest in any
13 motor vehicle registered under this chapter, a copy of the assignment must be filed with the department
14 and a record of the assignment made upon its records.

15 (7) The certificate of ownership is valid until canceled by the department upon a transfer of any
16 interest shown in the certificate, and annual renewal is not needed.

17 (8) (a) Upon its determination that a certificate of ownership or a registration receipt contains an
18 error or that the applicant has paid the required fees and taxes with an insufficient funds check and if the
19 department has been notified of that fact by the county attorney, the department may cancel the
20 certificate of ownership or receipt and, in the case of an error, issue a replacement for the erroneous
21 certificate or receipt if the owner has returned the certificate or receipt to be canceled. If the owner fails
22 to return to the department the certificate of ownership, the registration receipt, or the license plate, the
23 department shall direct a peace officer or department employee to secure and return the certificate,
24 receipt, or license plate to the department.

25 (b) Any person who fails to return a certificate of ownership or a registration receipt that contains
26 an error or that has been canceled by the department due to an insufficient funds check, as provided in
27 subsection (8)(a), after receiving actual notice of the department's demand for the return of the certificate
28 or receipt, as required by subsection (8)(a), is guilty of a misdemeanor and upon conviction may be fined
29 an amount not to exceed \$500."

30

1 **Section 2.** Section 61-3-303, MCA, is amended to read:

2 **"61-3-303. Application for registration.** (1) ~~Each owner of~~ A Montana resident who owns a motor
3 vehicle operated or driven upon the public highways of this state shall ~~for each motor vehicle owned,~~
4 ~~except as otherwise provided in this section, file~~ register the motor vehicle in the office of the county
5 treasurer in the county where the owner permanently resides ~~at the time of making the application~~ or, if
6 the vehicle is owned by a corporation or used primarily for commercial purposes, in the taxing jurisdiction
7 of the county where the vehicle is ~~permanently assigned an application for registration or reregistration~~
8 ~~on a form prescribed by the department~~ principally garaged or parked. A vehicle that is owned by a
9 corporation and that is not principally garaged or parked in this state may not be registered in this state.

10 (2) The application for registration must ~~contain~~ be made on a form prescribed by the department
11 and include:

12 (a) the name and address of the owner, giving the county, school district, and town or city within
13 whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the
14 owner's residence is located if the motor vehicle is not taxable;

15 (b) the name and address of the holder of any security interest in the motor vehicle;

16 (c) a description of the motor vehicle, including make, year model, engine or serial number,
17 manufacturer's model or letter, gross weight, declared weight on all trucks for which the manufacturer's
18 rated capacity is 1 ton or less, and type of body and, if a truck, the manufacturer's rated capacity;

19 (d) the declared weight on all trailers operating intrastate, except travel trailers or trailers and
20 semitrailers registered as provided in 61-3-711 through 61-3-733;

21 (e) a space in which the person registering the vehicle may indicate the person's desire to donate
22 \$1 or more to promote awareness and education efforts for procurement of organ and tissue donations
23 for anatomical gifts; and

24 (f) other information that the department may require.

25 ~~(2)(3)~~ (3) A person who files an application for registration or reregistration of a motor vehicle, except
26 ~~of~~ a mobile home or a manufactured home as those terms are defined in 15-1-101(1), shall upon the filing
27 of the application pay to the county treasurer:

28 (a) the registration fee, as provided in 61-3-311 and 61-3-321 or 61-3-456;

29 (b) except as provided in 61-3-456 or unless it has been previously paid, the motor vehicle fees
30 in lieu of tax or registration fees under 61-3-560 through 61-3-562 imposed against the vehicle for the

1 current year of registration and the immediately previous year; and

2 (c) a donation of \$1 or more if the person has indicated on the application that the person wishes
3 to donate to promote awareness and education efforts for procurement of organ and tissue donations in
4 Montana to favorably impact anatomical gifts.

5 ~~(3)~~(4) The application may not be accepted by the county treasurer unless the payments required
6 by subsection ~~(2)~~ (3) accompany the application. Except as provided in 61-3-560 through 61-3-562, the
7 department may not assess or impose and the county treasurer may not collect taxes or fees for a period
8 other than:

9 (a) the current year; and

10 (b) the immediately previous year if the vehicle was not registered or operated on the highways
11 of the state, regardless of the period of time since the vehicle was previously registered or operated.

12 ~~(4)~~(5) The department may make full and complete investigation of the status of the vehicle. An
13 applicant for registration or reregistration shall submit proof from appropriate records of the proper county
14 at the request of the department.

15 ~~(5)~~(6) Revenue that accrues from the voluntary donation provided in subsection ~~(2)(e)~~ (3)(c) must
16 be forwarded by the respective county treasurer for deposit in the state special revenue fund to the credit
17 of an account established by the department of public health and human services to support activities
18 related to awareness and education efforts for procurement of organ and tissue donations for anatomical
19 gifts."

20

21 **Section 3.** Section 61-3-456, MCA, is amended to read:

22 **"61-3-456. Registration of motor vehicle owned and operated by Montana resident on active**
23 **military duty stationed outside Montana.** (1) As an incentive for military service, an owner of a motor
24 vehicle who is a Montana resident who entered active military duty from Montana and who is stationed
25 outside Montana may file with the department an application for the registration of the motor vehicle. The
26 application must be sworn to before an officer authorized to administer oaths. The application must state:

27 (a) the name and address of the owner;

28 (b) the make, the gross weight, the year and number of the model, and the manufacturer's
29 identification number and serial number of the motor vehicle; and

30 (c) that the vehicle is owned and operated by a Montana resident who meets the qualifications

1 of subsection (1) and is on active military duty and stationed outside Montana.

2 (2) The registration fee for a motor vehicle registered under subsection (1) is as provided in
3 61-3-311 and 61-3-321.

4 (3) A vehicle registered under this section is not subject to:

5 (a) the taxes described in 61-3-303~~(2)(b)~~(3)(b);

6 (b) assessment under 15-8-202 or 61-3-503, the fee in lieu of tax under 61-3-529, or the
7 registration fee under 61-3-560 through 61-3-562; or

8 (c) any of the fees provided in part 5 of this chapter."

9

10 NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

11 - END -